

# House File 636 - Introduced

HOUSE FILE 636

BY JACOBY

## A BILL FOR

1 An Act providing for a tax credit against the individual  
2 and corporate income taxes, the franchise tax, insurance  
3 premiums tax, and the moneys and credits tax for a  
4 charitable contribution to certain institutions engaged in  
5 regenerative medicine research and including retroactive  
6 applicability provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. NEW SECTION.   **422.11E Regenerative medicine**  
2 **research tax credit.**

3     1. *a.* The taxes imposed under this division, less the  
4 credits allowed under section 422.12, shall be reduced by a  
5 regenerative medicine research tax credit.

6     *b.* The credit shall be in an amount equal to twenty percent  
7 of a taxpayer's charitable contribution to an eligible research  
8 institution located in the state. For purposes of this  
9 section, "*eligible research institution*" means an organization  
10 qualifying under section 501(c)(3) of the Internal Revenue Code  
11 as an organization exempt from federal income tax under section  
12 501(a) of the Internal Revenue Code that is engaged in research  
13 designed to improve patient care through the development and  
14 dissemination of novel clinical therapies for the functional  
15 repair and replacement of diseased tissues and organs.

16     *c.* An individual may claim a tax credit under this  
17 subsection of a partnership, limited liability company,  
18 S corporation, estate, or trust electing to have income  
19 taxed directly to the individual. The amount claimed by the  
20 individual shall be based upon the pro rata share of the  
21 individual's earnings from the partnership, limited liability  
22 company, S corporation, estate, or trust.

23     *d.* Any tax credit in excess of the taxpayer's tax liability  
24 for the tax year is not refundable, but the taxpayer may  
25 elect to have the excess credited to the tax liability for  
26 the following four tax years or until depleted, whichever is  
27 earlier.

28     2. *a.* To claim a tax credit under this section, the  
29 taxpayer shall apply to the department for a tax credit  
30 certificate. After verifying the eligibility of a taxpayer for  
31 a tax credit pursuant to this section, the department shall  
32 issue a tax credit certificate to be attached to the taxpayer's  
33 tax return. The tax credit certificate shall be issued on  
34 a first-come, first-served basis based upon the date of the  
35 application and shall contain the taxpayer's name, address,

1 tax identification number, the amount of the credit, the  
2 certificate expiration date, and any other information required  
3 by the department.

4     *b.* To claim a tax credit under this section, a taxpayer must  
5 attach one or more tax credit certificates to the taxpayer's  
6 tax return. The tax credit certificate or certificates  
7 attached to the taxpayer's tax return shall be issued in the  
8 taxpayer's name, and the expiration date on the certificate  
9 shall be a date that falls on or after the last day of the  
10 taxable year for which the taxpayer is claiming the tax credit.

11     *c.* The tax credit certificate, unless otherwise void,  
12 shall be accepted by the department as payment toward the  
13 tax liability of the taxpayer, subject to any conditions or  
14 restrictions placed by the department upon the face of the  
15 tax credit certificate and subject to the limitations of this  
16 section.

17     *d.* Tax credit certificates issued under this section are not  
18 transferable to any person or entity.

19     3. A deduction pursuant to section 170 of the Internal  
20 Revenue Code for the amount of the contribution eligible for  
21 the tax credit is not allowed for state tax purposes.

22     4. The maximum amount of tax credits issued in a fiscal  
23 year pursuant to this section, section 422.33, subsection 30,  
24 section 422.60, subsection 12, section 432.12N, and section  
25 533.329, subsection 2, paragraph "k", shall not exceed ten  
26 million dollars.

27     Sec. 2. Section 422.33, Code 2013, is amended by adding the  
28 following new subsection:

29     NEW SUBSECTION. 30. The taxes imposed under this division  
30 shall be reduced by a regenerative medicine research tax credit  
31 in the same manner, for the same amount, and under the same  
32 conditions as provided in section 422.11E.

33     Sec. 3. Section 422.60, Code 2013, is amended by adding the  
34 following new subsection:

35     NEW SUBSECTION. 12. The taxes imposed under this division



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1     The bill applies retroactively to January 1, 2013, for tax  
2 years beginning on or after that date.